

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: IES UTILITIES INC. and INTERSTATE POWER COMPANY	DOCKET NO. SPU-01-8
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**ORDER ACCEPTING FILING AND COMMENCING INVESTIGATION,
NOTICE OF HEARING, ORDER SETTING PROCEDURAL SCHEDULE,
INTERVENTION DEADLINE, AND EXTENDING DECISION DEADLINE**

(Issued August 28, 2001)

On July 10, 2001, IES Utilities Inc. and Interstate Power Company, hereinafter collectively referred to as Applicants, filed with the Utilities Board (Board) a proposal for reorganization pursuant to Iowa Code §§ 476.76 and 476.77 (2001). Applicants are both public utility subsidiaries of Alliant Energy Corporation, which is a registered public utility holding company. Applicants propose to reorganize their transmission operations and transfer the operational control over substantial portions of Applicants' transmission facilities to the Midwest Independent System Operator, Inc. The Board has reviewed Applicants' filing and finds that it substantially complies with the filing requirements contained in 199 IAC 32.4. Therefore, the Board will accept the filing.

Pursuant to Iowa Code § 476.77(2), the proposed merger shall be deemed to have been approved by operation of law unless disapproved by the Board. The statute also provides that the Board shall not disapprove a proposal for

reorganization without providing for a hearing. The statute provides that a notice of hearing must be issued no later than 50 days after the proposal for reorganization has been filed. In furtherance of the investigation being conducted by the Board to review the reorganization proposal, the Board will set a date for hearing and establish a procedural schedule and deadline for intervention.

Iowa Code § 476.77(2) states "[a] proposal for reorganization shall be deemed to have been approved unless the board disapproves the proposal within 90 days after the filing." This section further provides "[t]he board, for good cause shown, may extend the deadline for acting on an application for an additional period not to exceed 90 days." On July 25, 2001, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a request for a 60-day extension.

In support of the request, Consumer Advocate said the transfer of operational control of a substantial portion of Applicants' transmission assets to a third party has potentially immense consequences, including consequences to the Board's jurisdiction, to the future operations of the transmission facilities, and to retail and wholesale electric rates. No objection to the request was filed, but on August 17, 2001, Consumer Advocate filed a statement indicating that it had resolved all of its outstanding issues to date through discovery.

Responses to data requests and other discovery are generally not filed with the Board unless referred to by a witness. Because the Board has not had the benefit of reviewing the discovery conducted by Consumer Advocate, the Board is concerned about the issues raised by Consumer Advocate in its request for

extension of time. This proposed reorganization is the first time an Iowa investor-owned utility has asked to transfer operational control of a significant portion of its transmission assets. The issues involved in this proceeding are ones of first impression. Therefore, the Board will extend the 90-day deadline for an additional 60 days and set the procedural schedule accordingly. Good cause for an extension has been established.

The Board will also set an intervention deadline and date for filing testimony. The Board encourages any intervenors to file prefiled testimony pursuant to the schedule established. Prefiled testimony is useful to the Board, and other parties, in narrowing and focusing the issues and preparing for cross-examination at hearing. However, the failure to file testimony does not preclude intervenors from presenting testimony and exhibits at hearing.

IT IS THEREFORE ORDERED:

1. The proposal for reorganization filed by IES Utilities Inc. and Interstate Power Company on July 10, 2001, is accepted as substantially complying with the filing requirements contained in 199 IAC 32.4.
2. The Utilities Board will conduct an investigation, identified as Docket No. SPU-01-8, of the plan of reorganization filed by Applicants.
3. The following procedural schedule is established:
 - a. Requests to intervene shall be filed on or before September 28, 2001.

b. Any intervenors may file prepared direct testimony, with underlying workpapers and exhibits, on or before September 28, 2001. If a party references a data request in its prepared testimony, the data request shall be filed as an exhibit.

c. Applicants may file reply testimony, with underlying workpapers and exhibits, on or before October 12, 2001.

d. The parties shall file a joint statement of the issues on or before October 16, 2001.

e. A hearing shall be held beginning at 10 a.m. on November 5, 2001, for the purpose of receiving testimony and the cross-examination of all testimony. The hearing shall be held in the Utilities Board's hearing room, 350 Maple Street, Des Moines, Iowa. The parties shall appear one-half hour prior to the time of the hearing for the purpose of marking exhibits. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Utilities Board at (515) 281-5256 in advance of the scheduled date to request that appropriate arrangements be made.

4. In the absence of objection, all underlying workpapers shall become a part of the evidentiary record of these proceedings at the time the related testimony and exhibits are entered into the record.

5. In the absence of objection, all data requests and responses referred to in oral testimony or on cross-examination that have not been previously filed shall become a part of the evidentiary record of these proceedings. The party making

reference to the data request shall file an original and six copies of the data request and response with the Board at the earliest possible time.

6. In the absence of objection, when the Board has called for further evidence on any issue and the evidence is filed after the close of the hearing, the evidentiary record will be reopened and the evidence will become part of the record five days after the evidence is filed with the Board. All evidence filed pursuant to this paragraph shall be filed no later than three days after the close of the hearing in this proceeding.

7. The 90-day time period for rendering a decision pursuant to Iowa Code § 476.77(2) is extended, for good cause, an additional 60 days to December 7, 2001.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Mark O. Lambert

Dated at Des Moines, Iowa, this 28th day of August, 2001.